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## WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 16-80

WASHINGTON, Sept. 4--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

### GRAIN AND FEED

BRAZIL'S demand for corn imports in the near future is expected to remain strong--a position it has maintained since 1978 when its role in the international corn market shifted. Poor harvests in 1978 and 1979, combined with programs to increase hog and poultry production, account for Brazil's increased demand. During the mid-1970's Brazil exported roughly 1 million tons of corn annually.

Weather-reduced harvests in 1978 and 1979 spurred imports of about 1.5 million tons in both the 1978/79 and 1979/80 marketing years. Although this year's production is estimated to reach a record 19.7 million tons, imports of over 1 million tons are expected to be needed. A small portion of this year's corn imports is destined for the drought-stricken northeastern section of Brazil, where the crop appears to have fallen 500,000 tons short of the planned 1.3 million tons. The balance is expected to be used in the rapidly growing swine and poultry sectors. In response to the government's incentive program designed to stimulate hog and poultry production as an alternative to costly beef, corn feeding is estimated to have jumped 16 percent over the 1979 level.

Area planted to corn later this year may increase as farmers respond to higher minimum prices and an improved production-loan schedule. However, Brazil's feed industry is pressuring the government to import more corn in order to moderate prices and allow for stock build-up. As a result, Brazil may be faced with the need to import sizable quantities of corn in the future.

### DAIRY, LIVESTOCK AND POULTRY

Major features of CANADA'S 1980/81 dairy program, are increases in the target price and export quota of industrial milk and higher support prices for butter and skim-milk powder.

The program, which became effective Aug. 1, raises the target price of industrial milk to C\$15.26 per hundredweight (cwt) (approximately US\$13.17). This is 3.9 percent above the C\$14.68 per cwt. established last April 1. In addition, the government has authorized an increase in the export quota of industrial milk to 5 million cwt., compared with 3 million last year. The federal budget for the program is C\$297.1 million (approximately US\$256.4 million).

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.



SOVIET meat production (live weight) on collective and state farms during January-July 1980 totaled 8.4 million tons, about 3 percent below the same period in 1979. During the same seven months, state-owned plants, using animals procured from collective and state farms and from the private sector, produced about 4.5 million tons of meat, 5 percent below the corresponding period in 1979.

Live-weight beef production during the first seven months of 1980 was 4 percent below the 1979 level, and pork production was down 6 percent. Average live weights at slaughter of cattle and hogs were down 2.5 percent and 4 percent, respectively. Poultry meat, at 9 percent above last year's level, continued to be the best performer on collective and state farms. Milk output, however, was off 4 percent from the year-earlier level.

Following usual seasonal patterns, inventories of cattle on collective and state farms decreased and hog numbers increased between July 1 and Aug. 1. Poultry inventories increased slightly. In recent years poultry numbers have either declined or remained virtually the same during the month of July.

#### HORTICULTURAL & TROPICAL PRODUCTS

SUDAN'S efforts during the past ten years to become self-sufficient in sugar production appear to be finally becoming a reality. Construction delays, machinery breakdowns, and cane quality problems combined to prevent this goal from being reached earlier. Production costs probably will remain very high because of the substantial costs incurred in the expansion program.

Two new sugar mills are to become operational by 1981 and may enable Sudan to discontinue sugar imports, which totaled about 200,000 tons in 1979/80. Production, at slightly over 200,000 tons this year, is projected to reach 460,000 tons in 1980/81, if current plans materialize.

The new Kenana mill, about 200 miles south of Khartoum, is starting experimental production this year and has a projected total capacity of 330,000 tons of refined sugar, making it the largest in Africa. Another mill about 400 miles south of Khartoum, with a capacity of 100,000 tons, is scheduled to be completed in 1982.

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In TURKEY, the minimum support price for the 1980 raisin crop has been set at 85 lira per kilogram (approximately 55 cents per pound) for No. 9 seedless raisins. Last season the support price was 40 lira (52 cents per pound). The substantial increase in terms of lira is the result of devaluation in January 1980. Support prices for other grades will be established at a later date.

The government has granted Taris, the union of Farm Sales Cooperatives, a rediscountable credit of TL5 billion and an operational credit of TL1 billion, to support the raisin market.

The 1980 crop is expected to be about 100,000 tons, virtually the same as last season.

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COTTON

CHINA's 1980/81 cotton production is placed at 10.1 to 10.56 million bales (480 lbs net) by the Agricultural Counselor in Beijing. This compares with the current USDA estimate of 10.7 million bales. Heavy rains received in the Yangtze River Valley have damaged this season's cotton crop and will lower yields. Provincial officials in Jiangsu, the second largest cotton producing province, expect the adverse weather to reduce the provincial crop below last season's level. Although higher prices may have some limiting effect, China's 1980/81 cotton import requirements could be near last year's level of an estimated 3.7 million bales.

INTERNATIONAL WEATHER AND CROP SUMMARY, AUG. 25-31

AUSTRALIA--The winter wheat areas of southern and eastern Australia received virtually no rainfall. The crop area of western Australia did receive between 10 to 25 mm of rain, which improved crop prospects in the second largest wheat-producing state. Additional moisture is needed in New South Wales, the largest producing state, to maintain crop conditions as the spring growth period begins. In Queensland, drought conditions have caused extensive stress to the crop.

EUROPE--A highly variable rainfall pattern resulted from two storm systems moving across Europe. One storm pushed across southern Europe, bringing rain to previously dry parts of the Iberian peninsular, southern France and Italy. At the same time, a frontal system worked its way across northern Europe producing above-average rain in northern France, the Benelux countries, West Germany, Austria, and Yugoslavia. In the major crop areas of France, southern England, and most East European countries, the relatively light rainfall did not slow grain harvests. Temperatures, in general, were mostly below average, especially in areas of above average precipitation. The cool, wet weather slowed harvesting activities in these areas.

USSR----The cold, wet weather pattern, which has complicated crop development throughout this season, continued. Locally heavy rains of 25 to 50 mm fell in northern areas where harvesting activities continued. These areas include Belorussia, the Central Chernozem region and all but the lowest part of the Volga Valley. The harvest weather delays continue to increase concern about autumn grain sowing. Scattered frost occurred late in the week in the Central Chernozem region, the Upper Volga Valley and Urals, which further aggravated the crop situation.

In the New-Lands, above average rain of 25 to 50 mm fell in the northern crop area from Sverdlovsk to Omsk to Novosibirsk. The wet weather continued to hamper ripening in the north, but relatively dry weather aided spring grain harvests in the southern portion.

SOUTHEAST ASIA--Rainfall was quite variable in Thailand with above average precipitation concentrated only along coastal regions. Most of the interior received below average weekly rainfall, except for the north-central, rice-producing area of Thailand, where seasonal amounts fell. Although moisture is in plentiful supply for wet season crops, such as rice, maize, cassava, and groundnuts, reservoir levels need to be increased to generate hydroelectric power and to meet dry-season irrigation needs.



MEXICO--Hot, dry weather in the northeastern citrus orchards decreased soil moisture left from Hurricane Allen; however, ample irrigation water should be available. Seasonal rains continued in the northwestern mountain watersheds, which support fall and winter vegetable production along the west coast. Heavy rains during the past two weeks may have hurt some open cotton at Chihuahua. Sunny weather favored resumption of harvest at Torreon and Hermosillo. The Southern Plateau's corn crop had beneficial showers averaging 25 mm.

CHINA--Much of the Yangtze Valley continued to receive above-average rainfall; however, the heaviest concentration shifted further south from southern Jiangxi, southern Hunan through Guangxi. Rice is the major crop grown in this region. Coastal areas of Zhejiang received heavy rainfall from the remnants of Typhoon Norris. Cotton-producing areas of Jiangsu and Hubei continued to receive above-average rainfall. The nearly-matured cotton crop in the Yangtze River Basin has been severely damaged by heavy rains and subsequent flooding. Hebei and Beijing received some much-needed rainfall. Harvesting of corn and soybeans will begin soon in northern China.

SOUTH AMERICA--Light showers produced generally less than 15 mm of rain in Buenos Aires Province, Argentina's major wheat-producing state. Conditions remain favorable for wheat in this province; however, lack of moisture in the adjacent provinces of La Pampa and Cordoba is raising concern for crops there. In Brazil, northeastern Rio Grande do Sul State received 10 to 18 mm, but further north, the winter wheat area of Parana State benefited from weekly totals of 25 to 50 mm. Moisture is in ample supply in this area. Mild temperatures prevail in Brazil's coffee belt.

CANADA--Cool, clear weather prevailed over the Canadian Prairies early in the week, providing favorable harvesting conditions. Light showers occurred in most of the Canadian wheat belt later in the week. However, conditions remained favorable for harvesting in Saskatchewan, where over 50 percent of the grain crop has been harvested. In Alberta, heavy showers produced 50 to 85 mm near Edmonton, while cold nighttime temperatures slowed ripening and produced frost, which may have damaged some later maturing crops. In Manitoba, weekly totals of 10 to 25 mm slowed harvesting activities.

SOUTH ASIA--Except for the west coastal regions, southern India was relatively dry. Moisture supplies are less than adequate in Tamil Nadu and interior Karnataka, causing some stress to cotton and groundnuts. Heavy rain fell in north-central India, especially in Uttar Pradesh and Madhya Pradesh, where weekly totals ranged from 100 to 230 mm. Rice is the main crop in this area. The heavy rain aggravated the flooding along the Ganges River Basin. Below-average rainfall occurred in Bangladesh.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 2, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
<b>Wheat:</b>				
Canadian No. 1 CWS-12.5%..	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
U.S. No. 2 DNS/NS: 14%.....	213.50	5.81	+15	199.00
U.S. No. 2 DHW/HW:13.5%....	216.00	5.88	+22	205.00
U.S. No. 2 S.R.W.....	200.00	5.44	+11	194.00
U.S. No. 3 H.A.D.....	310.00	8.44	-5	224.00
Canadian No. 1 A: Durum....	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
<b>Feedgrains:</b>				
U.S. No. 3 Yellow Corn.....	173.00	4.39	+15	138.00
U.S. No. 2 Sorghum <u>2/</u> .....	184.00	4.67	+12	145.00
Feed Barley <u>3/</u> .....	180.00	3.92	+10	169.00
Thailand Tapioca.....	179.30	--	-1.40 <u>5/</u>	--
<b>Soybeans:</b>				
U.S. No. 2 Yellow.....	329.00	8.95	+56	300.00
Argentine <u>4/</u> .....	324.50	8.83	+67	294.00
U.S. 44% Soybean Meal (M.T.)	281.00	--	+14.00 <u>5/</u>	232.50
<b>EC Import Levies</b>				
Wheat <u>6/</u> .....	109.59	2.98	+9	91.98
Barley.....	92.76	2.02	+4	83.06
Corn .....	97.61	2.48	-1	107.74
Sorghum.....	88.70	2.25	+9	101.25

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton.

6/ Durum has a special levy.

NOTE: Basis October delivery.









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